

# Teaching Export Success

## Agricultural Trade, Step by Step

by the Public Affairs Division, Foreign Agricultural Service

*U.S. Department of Agriculture*

Pickle juice with lime may soon be sipped outside Texas, perhaps even in Morocco and the Middle East. Meanwhile, Canadians are munching meat kabobs and Vidalia onions from Georgia.

What is giving these products such great opportunities for international sales? The answer is the Export Readiness Training program, created through a partnership between the Foreign Agricultural Service (FAS) and the Southern United States Trade Association (SUSTA), a non-profit association that helps companies in 15

minorities and women, an opportunity to explore markets overseas and begin the transition from successful domestic company to world trading business. The initiative was funded by the FAS Emerging Markets Program, which focuses on building trade between the United States and nations that are moving through developmental stages to financial sophistication.

### HOW THE PROGRAM BEGAN

The program started in 1999 with a mission to expand educational opportunity. The mission to serve small business owners meant going back to basics. It was important to get participating minority and female business owners confident that they could

a training program that boasts a 72-percent success rate—that's the proportion of businesses actually going on to participate in export programs or make foreign sales.

### TRAINING FOR TRADE

The program provides a lot of hands-on training and advice. "The idea is to teach by doing," said Charles Boyanton, international trade manager with the Small Business Development Center at the University of Georgia.

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states and in Puerto Rico export high-value food and agricultural products.

Export Readiness Training started out as a pilot project in Georgia, Mississippi, and Alabama. The program basically plants the seeds for export training that state and local groups can nurture and build upon. It is moving from state to state throughout the South. Currently, the program is helping companies in Texas and Florida go global.

The program was designed to give small businesses, particularly those of

export successfully. To instill that confidence, training was essential.

"What we needed was something to guide the absolute novice," said Christine Durbin, a marketing specialist with the Emerging Markets Program. "These companies needed guidance through the steps to making a working business plan for trade."

Durbin, James Ake (SUSTA executive director), and Donald van de Werken (director of the U.S. Export Assistance Center in New Orleans, part of the U.S. Department of Commerce) developed

the information they find to create a list of 10 countries that might work as markets for them," Boyanton said.

The next week, students learn about shipping requirements, tariffs, and labeling laws. "As they use that information to investigate their markets further, they may well find that some of their top 10 picks are unrealistic," explained Boyanton. "Their new homework assignment: narrow the list down to three."

### TRAINING INSIGHTS

Boyanton said FAS agricultural

attachés from Venezuela and Mexico have been guest lecturers, explaining the services they provide, such as arranging for business representatives to meet qualified, reliable importers and obtaining translation help.

"We encourage small companies to consider Latin America," said Durbin. "Europe is very competitive and hard to break into, while some less developed countries can be just too high a risk for small firms."

However, nobody can know for sure where the graduates will end up selling products.

"At a European trade show, one program graduate was doing great business selling his dairy spread in England," Durbin said. "Another graduate is selling shaved ice flavorings in northern Africa and the Middle East."

#### MAKING THE GRADE

Each class has only 10 spaces, and competition for them is intense.

What are the criteria? The business must produce an agricultural commodity in the United States. The business needs to provide the Foreign Agricultural Service with a financial statement from a bank or an audit. It must also have sales of \$100,000 (if a producer) or \$500,000 (if a processor).

Companies must also have written materials about their products and have less than one year of experience in exporting, not including any passive experiences.

The company must be willing to commit at least one staff member to capturing export markets.

"The idea is to have graduates who advance to the next stage by using FAS services, particularly branded or generic marketing programs," said van de Werken.

#### A POWERFUL PARTNERSHIP

Durbin credits the University of Georgia and the Georgia Department of Agriculture for getting the program off to a great start.

"The Georgia Small Business Development Center and the Georgia Department of Agriculture did such an excellent job recruiting," she said. "All the companies chosen were viable. I don't know if we would have done as much in the other states as we have without that initial effort that has had such positive returns."

#### WHAT IS NEXT FOR THE PROGRAM?

"In Florida, Miami-Dade Community College will be doing the training," said Durbin. "The college has an export program affiliated with the state's agriculture department."

As the program expands and efficiency improves, training costs are declining, allowing the program to be offered to more people.

"Originally, it cost \$10,000 per trainee," Durbin said. "But in our last training, in Texas, we had enough left over to do a third session and train another 10 people," she said.

The need for the program will persist as prospective exporters continue to face tariffs, regulations, and other challenges of international trade.

"Because 80 percent of the growth in exports is predicted to be in emerging markets, this program is important to the future of U.S. agricultural exports," Durbin said. ■

This article first appeared in *AgExporter*, November 2002. For more information about this monthly magazine of the U.S. Department of Agriculture, visit [www.fas.usda.gov/info/agexporter/agexport.html](http://www.fas.usda.gov/info/agexporter/agexport.html).

#### Resources and Contacts

For more information about **FAS export assistance**, visit [www.fas.usda.gov/agexport/exporter.html](http://www.fas.usda.gov/agexport/exporter.html). This site includes information on how to create export strategies, conduct market research, classify products for export, and much more. The Web site asks, "Are you ready to export?" Click on that link and complete an on-line questionnaire to determine if exporting is suitable for your company.

To learn more about Export Readiness Training and other assistance available through the **Emerging Markets Program**, contact Christine Durbin and other FAS marketing specialists:

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